

Message Text

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TO AMEMBASSY BELGRADE

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E.O. 11652 N/A

TAGS: APUB YO

SUBJECT: PRESS RELEASE ON EXIMBANK LOAN TO YUGOSLAVIA

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE
DIRECT CREDIT OF \$38.7 MILLION TO FENI-RUDNICI I INDUSTRIJA ZA NIKEL
OF

KAVADARCI. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN
WASHINGTON, D C FOR AM PAPERS, TUESDAY, JULY 16, 1974.

QUOTE: EXIMBANK CREDIT OF \$38U MILLION SUPPORTS \$86 MILLION
SALE OF U S EQUIPMENT FOR NICKEL MINING IN YUGOSLAVIA

TO SUPPORT A \$86 MILLION SALE OF US GOODS AND SERVICES FOR THE
DEVELOPMENT OF A NICKEL-BEARING MAGNETITE-HEMATITE ORE BODY
IN YUGOSLAVIA, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK
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OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF \$38.7

MILLION TO FINANCE 45 PERCENT OF THE TOTAL US COSTS AND A FINANCIAL GUARANTEE OF A CREDIT OF \$38MU MILLION FROM PRIVATE US SOURCES NOT YET DESIGNATED TO FINANCE ANOTHER 45 PERCENT, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J CASEY. THE OBLIGOR, FENI-RUDNICI I INDUSTRIJA ZA NIKEL OF KAVADARCI, WILL MAKE CASH PAYMENT OF THE BALANCE OF 10 PERCENT OF THE US COSTS OR \$8.6 MILLION. EXIMBANK IS ALSO PROVIDING A FINANCIAL GUARANTEE OF A LOCAL COST CREDIT OF \$12.9 MILLION.

THE PROJECT COVERS THE DEVELOPMENT BY FENI OF A MICKEL-BEARING MAGNETITE-HEMATITE ORE BODY IN THE REPUBLIC OF MACEDONIA CLOSE TO THE FRONTIER BETWEEN YUGOSLAVIA AND GREECE. THE DEPOSIT IS LOCATED ABOUT 40 KILOMETERS FROM KAVADARCI WHERE THE BENEFICIATION PLANT AND SMELTER WILL BE LOCATED. ARTHUR G MCGEE COMPANY OF CLEVELAND, OHIO WILL FURNISH TECHNICAL ASSISTANCE BY US SUPPLIERS HAVE NOT YET BEEN SELECTED BY FENI.

THE LOANS ARE TO BE REPAID IN 20 SEMIANNUAL INSTALLMENTS BEGINNING NOVEMBER 10, 1979, WITH EXIMBANK'S DIRECT CREDIT OF \$38.7 MILLION TO BE REPAID OUT OF THE LAST 10 INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 6 PERCENT OF OUTSTANDING BALANCES. REPAYMENT OF ALL LOANS IS TO BE GUARANTEED JOINTLY AND SEVERALLY BY STOPANSKA BANKA AND JUGOBANKA BEOGRAD, PLUS THE NATIONA BANK OF YUGOSLAVIA. SISCO

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